

QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS

January 11, 2010

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, January 11, 2010, at the offices of Quonset Development Corporation, located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, Sav Rebecchi, and John G. Simpson. Absent was: John A. Patterson, J. Michael Saul, and Keith Stokes. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:06 p.m. by Vice Chairman Simpson.

2. APPROVAL OF MINUTES:

Upon motion duly made by Ms. Jackson and seconded by Mr. Laramee, the Board:

VOTED: To approve the Public Session minutes of the December 14, 2009 meeting, as presented.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

Mr. Berson commented that he enjoyed the tour of the Unetixs Vascular facility and appreciated the opportunity to meet with the QBP tenants. Mr. King noted that a tour of the Air Guard facility is being coordinated, however, due to the Air Guard's schedule can not be done prior to the Monday Board Meeting. Mr. King requested that the Board submit times that would be mutually agreeable Tuesday

thru Friday, early afternoon for that event.

3. STAFF REPORTS:

Mr. King reviewed the Staff Report with the Board.

Development and Planning:

• 2005-2009 Progress Report is complete and Mr. King reviewed a few highlights:

- 1. Sold 90 acres of property**
- 2. Leased 96.5 acres of property**
- 3. Developed 1.3 million square feet of building space**
- 4. Increased job growth by 2,760 jobs**
- 5. Private investment of 142.6 million dollars.**

• The lease with the Quonset Davisville Navy Yacht Club has been completed as of January 1, 2010.

• Mill Creek Marine, Inc. is facilitating Navy review and approval of lease provisions required by the Small Business Administration.

Construction:

- The work on the NOAA building is on schedule.**
- Cleat and Bollard project on Pier 1 started today, January 11th.**
- Romano Vineyard Way Bridge project will be advertised January 14, 19 and 21.**
- Bid opening is scheduled for February 16, 2010.**

- **Demolition of QDC's former office buildings will begin this month. J. R. Vinagro Corporation won the bid for the project coming in at \$122,890.00; well below the engineer's estimates.**

Mr. Pastore asked if there had been any further conversations or complaints from residents near the Park regarding the new connector road bridge. Mr. King commented that the project went through several different designs as well as the utilization of the bike path, berm, and vegetation in order to lessen the effects of the bridge. Mr. King noted that there will be no down lighting, In fact, no lighting will be used on the bridge at all, to lessen the effect on the surrounding residents. Mr. King agreed to put a notice in the local paper that the bridge work would be starting and to send a note to the residents who had previously contacted or QDC attended meetings regarding the matter.

Operations:

- **No incidents resulting from the recent inclement weather with the exception that a fence post along the bike path was damaged. A police report was filed.**

Finance and Administration:

- **Mechanics of transferring Human Resources to Quonset have been completed; there is a vote on the agenda to wrap up the transfer.**

4. COMMITTEE REPORTS:

Mr. Simpson noted that there were no committee meetings held in January. However, he did ask for an update on the Sustainable Operating Plan. Mr. King noted that he would have a draft for the Committee next month.

Mr. DeCarvalho requested that Corporation send the updated Progress Report to the General Assembly. The Board also requested that copies go to the neighboring Town Councils and the North Kingstown Chamber of Commerce.

5. APPROVAL REQUESTS:

A. Approval of land exchange with Rhode Island Department of Transportation:

Mr. King explained the exchange relates to the roundabout constructed at the intersection of Romano Vineyard Way, Gate Road, and Davisville Road; the intersection of Gate Road and Davisville Road are part of the State highway plat and since modifications were made to the intersection, the Corporation will need to transfer the property related to the roundabout/right of way to the State. Additionally, Mr. King noted that the Corporation will be reacquiring from the Department of Transportation a small parcel on Gate Road that was part of the entrance to the old office buildings but will now be part of the Gateway development. Mr. King summarized that the

Corporation will be transferring .76 acres to DOT and DOT will be transferring .05 acres to the Corporation.

Upon questioning from Mr. Berson, Mr. King confirmed that the Corporation will still be responsible for the maintenance of the roads involved in the exchange.

Upon motion duly made by Mr. DeCarvalho and seconded by Mr. Pastore, the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Chief Operating Officer or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Land Exchange Agreement, and other agreements related thereto with Rhode Island Department of Transportation substantially in accordance with the Request for Board Authorization presented to the Board (the Land Exchange Agreement and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem

necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all deeds, agreements, contracts, certificates, licenses, assignments, and financing documents upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, Sav Rebecchi and John G. Simpson

Voting Against were: None

Unanimously approved.

B. Approval of Sale of Land on Devils Foot Road to Moran Management, LLC.

Mr. King advised the Board that the piece of land involved in this sale is truly a remnant from the development of Route 403 and has no functional use for the Park. Mr. King explained that the property is roughly a 1.96 acre parcel off Devil's Foot Road and is adjacent to an existing Moran Management, LLC development. Moran Management, LLC has been working to reposition their development and Mr. King explained that the land has much more value to Moran Management, LLC than to the Park. The proposal is that QDC will sell the property for \$5,500.00 per housing unit approved to be built on the property; currently the estimate is 40 units for a total of \$220,000.00.

Mr. King noted that Moran Management, LLC has had preliminary meetings with the Town Planning Committee and has received a letter from the Town Planner that the development is consistent with the Town's Comprehensive Plan. Due to the unique location and intended use of this property, Mr. King did ask the Board to waive the Design Review requirements for this project and noted that strict implementation of the Development Package is not required. The Corporation will, however, file all the necessary environmental review

forms and Moran Management would be subject to the Town zoning and land use ordinances.

Mr. Simpson asked why the sale price was tied to the number of units in this transaction. Mr. King explained that land is very shallow at one end and awkwardly shaped so determining a true value was difficult and depends on Moran Management, LLC's ability to combine it with their existing property.

Upon questioning, Mr. King did clarify that the sale price would be based only on the number of units that would be built on the land being sold in this transaction and if the Town does not approve Moran Management, LLC's project then the sale would be null and void. Mr. King assured the Board that "units" would be clearly defined in the purchase and sale agreement as "single apartment units within the complex".

Upon motion duly made by Mr. Laramee and seconded by Mr. Berson, the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Chief Operating Officer or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Purchase and Sale Agreement, and other

agreements related thereto with Moran Management, LLC or its nominee substantially in accordance with the Request for Board Authorization presented to the Board (the Purchase and Sale Agreement and related documents are referred to herein collectively as the "Agreement"). Due to the location of the property and the proposed use, strict implementation of all aspects of the Development Package would create an unnecessary hardship for the Purchaser and is not feasible.

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all deeds, agreements, contracts, certificates, licenses, assignments, and financing documents upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of

the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, Sav Rebecchi and John G. Simpson.

Voting Against were: None

Unanimously Approved.

C. Approval of Robert H. Breslin to the Finance Committee:

Upon motion duly made by Mr. Pastore and seconded by Mr. DeCarvalho, the Board:

VOTED: The Board hereby approves the appointment of Robert H. Breslin as a member of the Finance Committee.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, Sav Rebecchi, and John G. Simpson

Voting Against were: None

Unanimously Approved.

D. Approval of the Adoption of Quonset Development Corporation Retirement and Savings Plan, and Adoption of Amendments to the Plan:

Mr. King explained that the firm helping the Corporation with the employee's benefit package asked that this wording be added to last month's vote to ensure that all aspects of the benefits are covered.

Upon motion duly made by Mr. Berson and seconded by Ms. Jackson, the Board:

VOTED: That the Quonset Development Corporation Retirement & Savings Plan and Trust be adopted in the form presented at the meeting, effective as of December 20, 2009, subject to the approval of the Internal Revenue Service.

VOTED: That ING National Trust be appointed to serve as the Trustee of the Plan, and that the related Trust Agreement be adopted.

VOTED: That the limitation year for the Plan, within the meaning of Section 415 of the Internal Revenue Code, shall be the same as the Plan Year.

VOTED: That the Amendments to the Plan be adopted in the form presented at the meeting, effective as of the dates indicated therein.

VOTED: That the assets held in the Trust maintained pursuant to the Rhode Island Economic Development Corporation Retirement & Savings Plan (the “RIEDC Plan”) attributable to the accounts of the Plan participants who are employees of the Corporation be transferred as soon as administratively feasible, by means of a plan-to-plan transfer, to such participants’ accounts under the Plan.

VOTED: That immediately after the transfer of assets from the RIEDC

Plan to the Plan, each participant in the Plan shall have an account balance at least equal to the sum of his or her account balances under the RIEDC Plan and the Plan immediately prior to the transfer.

VOTED: That each optional form of payment available to participants in the RIEDC Plan who are employed by the Corporation, and each benefit provided to such participants by the RIEDC Plan, that is required to be protected under Section 411(d)(6) of the Internal Revenue Code of 1986 and regulations issued thereunder, shall be provided by the Plan.

VOTED: That the Chair, Vice-Chair, Managing Director and Finance Director, each acting alone the “Authorized Officers” are hereby authorized and directed to execute the Plan, Trust and Amendments, and to take any and all actions necessary or appropriate to effectuate the foregoing votes, including the making and execution of any subsequent changes or amendments to said Plan and Trust.

VOTED: That this Corporation indemnify and hold harmless each member of its Board of Directors, the Administrator (including each member of any committee designated as Administrator), each Trustee of the Plan who is an employee or director of the Corporation or any affiliate of the Corporation, and each other employee of the Corporation or any of its affiliates who acts as a Plan fiduciary, from liability and expenses arising from his/her official capacity with respect to said Plan and Trust, except to the extent that his/her

conduct amounts to willful misconduct or gross negligence.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

Mr. Batty announced that Mr. King was notified in writing of his upcoming job performance review as required under the statute. Also, under the statute, the employee has the opportunity to have the review conducted in open session if requested; that request has not been made. Upon questioning, Mr. Batty clarified that there is no specific language or criteria for the Board to use in reviewing job performance.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Laramee and seconded by Mr. DeCarvalho, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (1)

job performance, (of Rhode Island General Laws, Section 42-46-5(a), the Open Meeting Law. The Chairman entertains a motion to adjourn to Executive Session. An affirmative vote of a majority of the members is required.

1. To review and discuss job performance of Steven J. King P.E., Managing Director.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, Sav Rebecchi and John G. Simpson.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:32 p.m. The meeting reconvened in Public Session at 6.25 p.m.

Mr. Batty announced in Public Session that a vote was approved in Executive Session that the compensation of the Managing Director be set at \$149,000 annually effective January 1, 2010.

There being no further business to come before the Board, upon motion duly made by Mr. Laramée and seconded by Mr. Pastore, the meeting was adjourned at 6:26 p.m.

Respectfully submitted:

By: _____
Secretary

E. Jerome Batty,